

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
APPLICATION INSTRUCTIONS for
SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT
ECONOMIC DEVELOPMENT GRANT and LOAN PROGRAM

COMMUNITY APPLICATION

This application is organized into two basic sections, one to be filled out by the community and one to be filled out by the company. Your submittals should be bound separately. Please assemble the application following the suggested outline and complete each item. All information in the Business Plan is required for all projects, whether infrastructure or loan requests.

Application and Administrative Costs. Costs of application preparation are not eligible for reimbursement if the application is funded. Administrative costs allowable for the project should be reasonable and are subject to review by ECD.

SECTION 1 - PROJECT DESCRIPTION

- A. Project Information.
- B. Applicant Information.
- C. Program Narrative. This should be a clear, concise description of the project, including a description of the company and its product, and a discussion in how the company promotes non-discrimination in its hiring practices and provides benefits to minorities.
- D. Equipment Analysis Worksheet. If this project involves equipment purchases, then this sheet needs to be completed for each piece of equipment.
- E. Building Construction Questionnaire. If this project involves building construction, please answer the questionnaire.

SECTION 2 - FINANCIAL INFORMATION

- A. Project Budget.
- B. Detail of Costs, including plan for project administration.
- C. Local Government Resolution. The resolution must specify the amount of funding being requested and must include a commitment to provide the local matching funds and include the dollar amount of those funds in the body of the resolution, along with the source of the funding, (i.e., general funds of city/county, RECD loan, etc.). If no application has been filed for RECD or other loan funds, we will assume the local government will provide this match. If the local government expects to pass funds to a utility district or industrial development board, furnish a memorandum of agreement between the city/county and utility district/industrial development board. For Economic Development loans a resolution will also be needed authorizing submission of an application for the specific loan.
- D. Applicant's most recent Audit Report (infrastructure only). If a utility district is to be the beneficiary of the grant, their most recent audit should be included. Only one copy is required. It should be attached to the original application.

SECTION 3 - FEDERAL COMPLIANCE INFORMATION - (RELATED to COMMUNITY)

- A. **National Environmental Policy Act Requirements.** An environmental review must be completed on the project and should be submitted to ECD within 30 days after the application is submitted. It is important to consider the environmental impact of the total scope of the project, not only the portion funded by CDBG. If an industry is moving into a community or increasing its production, the environmental impact of the manufacturing/industrial process itself must be examined considering the existing laws and statutes. If there will be negative environmental impacts, efforts to mitigate the adverse effect must be documented. Refer to the Environmental Chapter of the CDBG Manual. The requirements for the ERR are listed in the CDBG Program Manual. If you do not have this manual, contact ECD and the Environmental Chapter will be sent to you. An application will not be presented to the loan committee until the ERR is received and the State public comment period has expired. No costs can be incurred or obligated before the ERR process is completed and ECD has given the community written permission to proceed.

You do not need to submit a separate copy of the ERR in the application, just a narrative stating the status.

- B. **National Objective Benefit Justification.**

- C. **Housing and Community Development Needs.**

- D. **Public Meeting Documentation and Requirements.** Local governments are required to hold two public meetings. The first meeting, which must be advertised in a local paper at least one week prior to the date of the meeting, is designed to solicit information about community needs and how CDBG funds can best be used to address these needs. Communities are required to present information about how much money is available, what kind of projects are being considered, and what activities are eligible. Also, describe the benefit to minorities.

The second public meeting (publicly announced) occurs after the project is funded. It is to discuss the accomplishments of the project.

All meeting places are to accommodate the disabled.

The disclosure report must be made available at each meeting.

The meetings must have sign in sheets and allow attendees to signify their minority status. Minutes must also be taken at the meetings.

- E. **LMI/Minority Concentration Maps.**

- F. **Displacement Plan.** It is a Federal requirement that a displacement plan be submitted with each application. This allows the State to determine that displacement is properly being executed on projects displacing people. **A format is provided which must be COMPLETED for every application submitted. If there is no displacement, simply fill in the name of the applicant; include a brief description of the project and answer numbers 2 through 6 stating why they are not applicable.**

- G. **Davis-Bacon Wage Rates.** Provide detailed cost estimates from contractors to be used for all construction. Construction contractors must certify that their estimates reflect Davis-Bacon wage rates. These wage rates, known as the Federal Prevailing Wage, apply to all construction for which block grant funds are used. This applies to renovation and leasehold improvements, as well as new

construction. Applications requesting assistance with construction, but presenting cost estimates which clearly do not allow for use of prevailing wage rates will not be recommended for funding until estimates are revised. Applying companies or communities will be responsible for building costs in excess of those projected in the application. If equipment purchased with CDBG funds has substantial installation costs, Davis-Bacon may be required for installation labor costs. Check with Program Management for details. If this project includes construction, the Wage Request for Determination and Response to Request Form (Form 308) must be prepared by the community and submitted with the application.

H. **Job Assessments** (Infrastructure Projects Only)

1. For projects with a projected cost per job of \$9,999 or less, the community must prepare an assessment which details:
 - a. all the businesses that are expected to be served by the infrastructure improvement;
 - b. the projected number of jobs that will be created or retained as a result of the infrastructure improvement;
 - c. the projected number of low and moderate (LMI) jobs that will be created or retained as a result of the infrastructure improvement.

NOTE: The assessment must demonstrate that at least 51% of the jobs created or retained will be taken by low and moderate income persons. For projects with a projected cost per job of \$9,999 or less, verification of low and moderate income employment will be required only for companies identified in the initial assessment submitted with the application. Jobs created by companies that later locate in the area served by the infrastructure improvement need not be counted.

2. For projects with a projected cost per job of \$10,000 and up, the community must prepare an assessment which details:
 - a. all the businesses that are projected to be served by the infrastructure improvement within a twelve month period after the completion of the project;
 - b. the projected number of jobs that will be created or retained as a result of the infrastructure improvement;
 - c. the projected number of low and moderate income (LMI) jobs that will be created or retained as a result of the infrastructure improvement.

NOTE: The assessment must demonstrate that at least 51% of the jobs created or retained will be taken by low and moderate income persons. For projects with a projected cost per job of \$10,000 and up, the verification of low and moderate income employment will be required for all companies identified in the initial assessment submitted with the application, as well as any other businesses that locate in the area and make use of the infrastructure improvement within twelve months after the completion of the project. Jobs created by businesses that locate in the area as a result of the infrastructure improvement at any time during the twelve month period will be considered for purposes of the 51% LMI requirement.

I. Disclosure/Update Reports

Overview. Section 102 of the Department of Housing and Urban Development Reform Act of 1989 requires (1) initial disclosure reports from applicants for Community Development Block Grant (CDBG) assistance and (2) update reports from recipients of CDBG assistance.

1. Applicant disclosure (initial) reports: All applicants for CDBG assistance from the State of Tennessee for a specific project or activity must disclose:
 - a. Assistance from other government sources in connection with the project.
 - b. The financial interest of persons in the project.
 - c. The sources of funds to be made available for the project, and
 - d. The uses to which the funds are to be put.
2. Update reports: All recipients of CDBG assistance must submit update reports to reflect substantial changes to the initial applicant disclosure reports.

Specific instructions regarding Disclosure/Update Reports are included with the attached Disclosure/Update Report.

J. Equal Opportunity and Title VI

The company and community must comply with Federal equal opportunity requirements including Title VI of the Civil Rights Act of 1964.

SECTION 4 - ENGINEERING INFORMATION

- A. Existing Facility Inventory.
- B. Acquisition Inventory.
- C. Preliminary Engineering Report (where applicable). Include map showing existing and proposed water/sewer improvement. Cost of this report is not eligible for reimbursement.

SECTION 5 - REQUIRED SEARCH FOR LIENS

Your community's attorney must complete this form. The UCC-11 search needs to be conducted at the Secretary of State's office for equipment loans for both existing companies, new locations and start ups. A title insurance commitment or title opinion letter will be required at loan closing in the case of real property acquisition or building construction.

Please submit three (3) copies of your application to:

Department of Economic and Community Development
Program Management Section
William R. Snodgrass Tennessee Tower, 10th Floor
312 8th Avenue, North
Nashville, Tennessee 37243-0405

All copies must be bound on the side and three ring binders are preferred. Use notebooks 1-1/2 inch size or smaller. Please number the pages consecutively. Quantitative information should be consistent throughout the application, including the engineering report.

Additional information will be required of the successful applications at a later date including assurances that they will meet requirements that pertain to equal opportunity, fair housing, labor standards and environmental assessments.